

Message Text

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ACTION NRC-07

INFO OCT-01 EUR-12 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13
L-03 NSAE-00 NSC-05 EB-08 OES-07 SOE-02 DODE-00
SS-15 SP-02 CEQ-01 EA-10 NEA-11 INT-05 TRSE-00
ICA-11 AID-05 CEA-01 /141 W
-----092211 232111Z /23

R 232027Z MAY 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 6734
INFO ALL EC CAPITALS
AMEMBASSY VIENNA
DOE WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 10032

USEEC

PARIS FOR NRC COMMISSIONER KENNEDY
VIENNA FOR USIAEA
DEPT. PASS NRC

E.O.11652: GDS
TAGS: TECH, ENRG, EEC
SUBJECT: VISIT OF NRC COMMISSIONER KENNEDY TO
-- BRUSSELS MAY 13-20

REF: (A) STATE 112578 (B) STATE 115477

1. SUMMARY: DURING HIS VISIT TO BRUSSELS TO ATTEND THE
ATOMIC INDUSTRIAL FORUM CONFERENCE WHICH HE ADDRESSED ON
MAY 18, NRC COMMISSIONER KENNEDY ALSO MET WITH EC COMMIS-
SIONER FOR ENERGY BRUNNER AND MEMBERS OF HIS CABINET AT A
LUNCH HOSTED BY THE AMBASSADOR AND OTHER EC OFFICIALS.
THESE OFFICIALS INCLUDED DIRECTOR OF JRC PROGRAMS CONTZEN,
WHO ACCOMPANIED THE COMMISSIONER AND MESSRS. LAFLEUR AND
STRATFORD OF THE NRC TO A VISIT TO THE JRC RESEARCH
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FACILITY IN PETTEN IN THE NETHERLANDS, DIRECTOR GENERAL
MENNICKEN OF THE EURATOM SUPPLY AGENCY (WHO ALSO HOSTED
A LUNCH), AND DIRECTOR GENERAL SCHUSTER FOR RESEARCH,
SCIENCE AND EDUCATION. A WIDE VARIETY OF NUCLEAR ENERGY
TOPICS WERE DISCUSSED. END SUMMARY.

2. THERE WAS CONSIDERABLE DISCUSSION OF THE PROSPECTS OF

THE EC MEETING THE REQUIREMENTS OF THE 1978 NUCLEAR NON-PROLIFERATION ACT (NPA) TO PERMIT RESUMPTION OF LICENSING OF NUCLEAR MATERIALS TO THE EC. SCHUSTER SAID THAT THE LONGER THE PRESENT IMPASSE CONTINUES, THE MORE IT WILL BE POLITICIZED WITH SERIOUS AND UNFORTUNATE RAMIFICATIONS FOR ALL PARTIES CONCERNED. FOR EXAMPLE, HE FELT THAT IF THE EC CONTINUED TO REFUSE TO MEET THE REQUIREMENTS OF THE NPA, EVENTUALLY JAPAN AND POSSIBLY OTHER COUNTRIES WILL BE UNDER PRESSURE TO FOLLOW THE EC LEAD AND RESIST THE US. SCHUSTER ALSO FELT THAT OVER TIME THE FRENCH POSITION WILL GAIN SUPPORT IN EUROPE AND INCREASE PRESSURE WITHIN THE EC FOR NUCLEAR INDEPENDENCE FROM THE US. THERE IS A DANGER THAT THE FRENCH "PERCEPTION" WILL BE ACCEPTED AS A "REALITY" WITHIN EUROPE. THE FRENCH POSITION IS POLITICAL, TRANSCENDS NUCLEAR MATTERS AND IN HIS OPINION IS LIABLE TO GET HARDER AND MORE INTRANSIGENT.

3. IT WAS THUS EXTREMELY URGENT, SCHUSTER SAID, THAT THE GOF BE INDUCED TO REMOVE ITS OBJECTIONS TO PERMITTING THE COMMISSION TO RESPOND FAVORABLY TO THE US REQUEST FOR NEGOTIATIONS. THIS WOULD HAVE TO BE DONE AT THE "HIGHEST POLITICAL LEVEL."

4. THERE WERE REFERENCES TO ENHANCED FRENCH COMMERCIAL EFFORTS TO PEDDLE FUEL, HEU, AND SERVICES. A NEW POINT, NEW AT LEAST TO US, WAS MADE THAT GERMAN UTILITIES ARE CONFIDENTIAL

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SIGNING CONTRACTS FOR REPROCESSING WITH THE FRENCH, IN PART TO OBTAIN PERCEIVED ADVANTAGES OF 10-YEAR STORAGE AT LA HAGUE OF IRRADIATED MATERIALS. IT WAS SAID THAT UNCERTAINTY ABOUT AMERICAN ENRICHED URANIUM SUPPLIES IS ALSO CONTRIBUTING TO THE INCREASED TEMPO OF REPROCESSING COMMITMENTS. THUS, THE COMBINED EFFECT OF DESIRING TO HAVE PLUTONIUM AVAILABLE AND TO DEAL TEMPORARILY WITH THE STORAGE PROBLEM IS MAINTAINING THE IMPETUS TO A PLUTONIUM ECONOMY IN EUROPE.

5. ANOTHER OFFICIAL NOTED THAT FRANCE IS SIGNING LONG-TERM CONTRACTS WITH THE JAPANESE TO REPROCESS JAPANESE IRRADIATED FUEL AT LA HAGUE AND THAT THE ADVANCE PAYMENTS FROM THESE CONTRACTS ARE BEING USED BY FRANCE TO HELP FINANCE THE EXPANSION OF LA HAGUE REPROCESSING FACILITIES. HE FURTHER NOTED THAT THE RELATIVELY FAVORABLE US ATTITUDE IN AUTHORIZING THE JAPANESE TO REPROCESS US-ORIGIN IRRADIATED FUEL IN FRANCE IS IN FACT CONTRIBUTING TO THE ESTABLISHMENT OF NUCLEAR REPROCESSING CAPABILITY IN FRANCE AND SUGGESTED --POSSIBLY TONGUE-IN-CHEEK-- THAT IF THE US TURNED DOWN JAPANESE REQUESTS FOR REPROCESSING IN FRANCE IT MIGHT APPLY PRESSURE ON THE FRENCH TO BE MORE FORTHCOMING IN OTHER

AREAS. (COMMENT: THE POSSIBLE IMPLICATIONS ON COMMISSION-FRENCH RELATIONS, US-JAPAN ARRANGEMENTS AND BRITISH REPROCESSING CAPABILITY OF THIS SUGGESTION MAY NOT HAVE BEEN SERIOUSLY CONSIDERED, BUT PROBABLY REFLECT A GROWING SENSE OF DESPERATION AMONG MIDDLE LEVEL NON-FRENCH OFFICIALS. WE MADE CLEAR WE DIDN'T THINK MUCH OF THIS SUGGESTION SINCE IN OUR JUDGMENT IT WOULD BE MORE LIKELY TO MAKE OVERALL RELATIONS WORSE THAN TO BE EFFECTIVE.)

6. SCHUSTER AND HAMMER DISCUSSED THE RELATIONSHIP OF INFCE AND THE NPA AT LENGTH AND PRESSED FOR SOME ASSURANCE THAT THE NPA COULD BE AMENDED TO REFLECT THE RESULTS OF INFCE. SCHUSTER SUGGESTED THAT A POSSIBLE SOLUTION TO THE IMPASSE ON THE REQUESTED RENEGOTIATIONS OF THE US-EC
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NUCLEAR COOPERATION AGREEMENTS WOULD BE FOR THE COMMISSION TO AGREE TO DISCUSSIONS BEGINNING WITH THOSE MATTERS NOT BEING CONSIDERED BY INFCE. INFCE ISSUES WOULD BE TAKEN UP WHEN INFCE IS CONCLUDED.

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R 232027Z MAY 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 6735
INFO ALL EC CAPITALS
AMEMBASSY VIENNA
DOE WASHDC

C O N F I D E N T I A L SECTION 02 OF 02 BRUSSELS 10032

USEEC

7. THE COMMISSION OFFICIALS WONDERED WHETHER THE REPORTED DEPARTURE FROM THE STATE DEPARTMENT OF MESSRS. NYE, FARLEY AND SHEINMAN, WHOM THEY VIEWED AS KEY OFFICIALS IN THE FORMULATION OF US NUCLEAR NON-PROLIFERATION POLICY, PRESAGED A SHIFT IN US POLICY. WE SAID WE THOUGHT NOT.

8. SCHUSTER AND HAMMER SAID THAT THEY WERE INITIALLY SHOCKED WHEN THEY LEARNED OF THE PRESIDENT'S INTENTION TO OVERRULE THE NRC TO DELIVER ENRICHED URANIUM TO INDIA FOR TARAPUR. ALTHOUGH THEY NOW FULLY UNDERSTOOD THAT THIS CASE IS VERY DIFFERENT FROM THE EURATOM QUESTION, HAMMER SUGGESTED THAT OTHERS MIGHT FIND IT DIFFICULT TO UNDERSTAND HOW THE US COULD GRANT A WAIVER FOR INDIA ON LEGAL GROUNDS AND REFUSE TO DO SO FOR EUROPE ON POLITICAL GROUNDS.

9. MENNICKEN COMMENTED THAT THE TWO MOST URGENT ISSUES IN THE EURATOM NUCLEAR SUPPLY AGENCY'S RELATIONS WITH THE US CONCERNED: (A) THE NEED TO ASSURE DELIVERY OF LOW CONFIDENTIAL

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ENRICHED URANIUM FOR THE SEVENTH RELOAD OF THE STADE NUCLEAR POWER PLANT IN GERMANY BY EARLY JULY (PROBABLY XSNM-1210), AND (B) MEETING THE REQUIREMENTS FOR "SUBSEQUENT ARRANGEMENTS", INCLUDING PHYSICAL SECURITY.

10. BRUNNER'S CHEF DE CABINET NOTED THE EMBARRASSMENT CAUSED BY PRESS REPORTS OF NRC DENIAL OF EXPORT LICENSES FOR THE JRC FACILITY AT PETTEN ON PHYSICAL SECURITY GROUNDS. HE COMMENTED THAT THE COMMISSION FIRST BECAME AWARE THAT THERE WAS A PROBLEM WHEN THE EC DELEGATION IN WASHINGTON NOTICED ON APRIL 7 THAT THREE LICENSES FOR PETTEN WERE NOT INCLUDED AMONG THOSE ISSUED AT THAT TIME AND SOUGHT AND OBTAINED AN EXPLANATION FROM NRC STAFF. ALTHOUGH THE COMMISSION IMMEDIATELY NOTIFIED THE DUTCH AUTHORITIES, THERE WAS NOT SUFFICIENT TIME TO RESOLVE THIS ISSUE BEFORE APPROVAL OF LICENSES WAS SUSPENDED ON APRIL 10. ONE OF HIS AIDES MADE A PRELIMINARY RESPONSE TO THE FOUR QUESTIONS RAISED BY THE NRC (REF B) AND PROMISED A FORMAL REPLY AFTER CONSULTING DUTCH AUTHORITIES. HINTON

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